

# 7th Annual Report to the Public

## Citizens Watchdog Committee

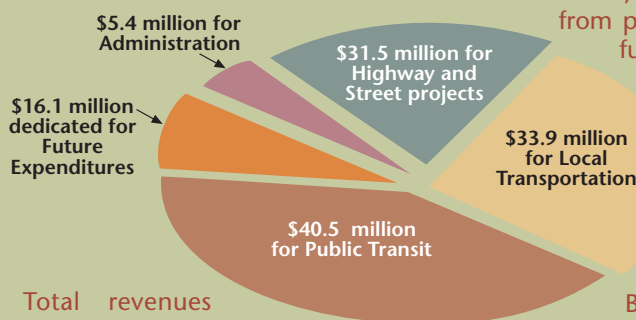
July 2009

### MEASURE B

In November 2000, Alameda County voters approved Measure B, which extended the County's half-cent transportation sales tax to 2022 and set forth a 20-year Expenditure Plan for use of the resultant revenues. Responsibility for managing Measure B funds rests with the Alameda County Transportation Improvement Authority (ACTIA), made up of 11 elected officials from within Alameda County.

Measure B also established a Citizens Watchdog Committee (CWC) to monitor all ACTIA expenditures on projects, programs and administration for compliance with the Expenditure Plan, including timely delivery of projects. The CWC reports its findings annually to the public. This seventh annual report covers ACTIA expenditures during the Fiscal Year ending June 30, 2008, and CWC actions since July 1, 2008.

## At-a-Glance: 2007/2008 Financials



Total revenues for the Fiscal Year 2007/2008 were \$127.4 million. Audited expenditures for the year ending June 30, 2008, totaled \$111.3 million. The continuing economic decline, which began in late 2008, is resulting in lower revenues and will have a significant effect on projects and programs. The CWC will continue to watch this situation.

A fund balance of \$127.1 million remains, including \$111.0 million from previous years, which is for future capital project and program expenditures, and \$16.1 million designated for future expenditures.

CWC members met with ACTIA's auditors and reviewed Measure B's Audited Statement of Revenues and Expenditures under Measure B for July 1, 2007, through June 30, 2008. The CWC accepts the independent auditor's unqualified opinion that no accounting concerns were identified. In addition, CWC reviewed the separate audit of the 4.5% administrative cost ceiling and the 1% administrative staff cost cap mandated by Measure B and finds ACTIA in compliance.

## Prospects and Concerns for the Future

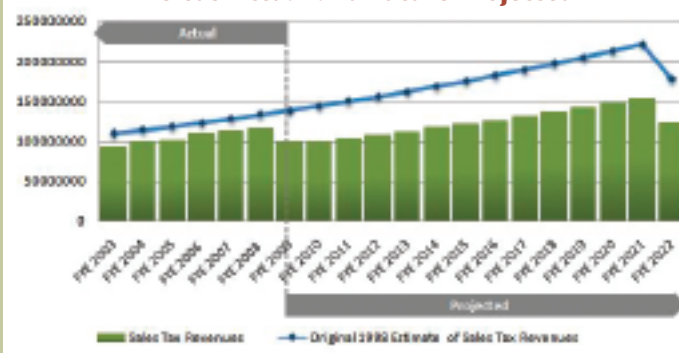
*"....any economic downturn can have a direct effect on essential services...."*

ACTIA administers funds for both capital project and program expenditures. The chart at the right indicates actual revenues received from Measure B through 2008/2009 and updated projections (green bars) and the original projected amounts (blue line) when voters approved the sales tax in 2000 (in 1998 dollars).

The result of lower than anticipated revenues will be a cumulative loss of more than \$839 million during the life of the Measure, or the equivalent of approximately four years of revenues.

continued page 2

**Measure B Sales Tax Revenues: Estimate versus Actual and Future Projected**



# Prospects and Concerns *for the Future*

*The result of lower than anticipated revenues will be a cumulative loss of more than \$839 million during the life of the Measure, or the equivalent of approximately four years of revenues.*

*continued from page 1*

The amount of Measure B revenues collected reflects the state of the County's economy. ACTIA capital projects and programs alike are affected by the downturn. The economic impact on ACTIA capital projects is lessened by the ability to issue bonds to fulfill funding commitments.

In addition, as often happens when the economy is weak, ACTIA and its partners are seeing significantly lower construction bid amounts.

Unfortunately, in the case of programs, which rely on monthly allocations to all jurisdictions and transit operators in the County, any economic downturn can have a direct effect on essential services funded by these revenues. Regular transit service as well as senior and disabled trans-



portation services may be cut, fewer bicycle and pedestrian safety projects may be funded, and repairs to local streets and roads may be delayed. Moreover, the state budget crisis has made the situation even worse: state assistance for transit operators has been eliminated for the next five years, and projects may be halted due to a lack of state funds.

This, in turn, affects the ability to secure some local, state and federal dollars to provide the balance of funding for some Measure B projects and programs. CWC will continue to watch the effect of the state funding challenges on delivery of projects and programs.

Over the past year, many ACTIA capital projects were fortunate to receive State bond funds and one received federal economic stimulus funds, thereby maintaining the delivery of the projects and allowing many of them to go to construction in 2009. Five projects failed to meet the original deadlines and received ACTIA Board approved extensions. (See the Projects section for more information on status.)

## CWC Activities: *KEEPING WATCH*

**The CWC regularly reviews projects and programs to monitor conformance with the Expenditure Plan approved by the voters, and meets annually with ACTIA's independent auditors to review their auditing processes. CWC also has the authority to request additional specific information to verify the accuracy of the financial statements through special ad hoc committee meetings. No ad hoc committees met during the past year.**

The CWC routinely receives updates on the progress of project and program implementation, and monitors delivery, particularly in relation to deadlines and requirements detailed in the voter approved Expenditure Plan.



CWC has kept watch on all projects, programs and administrative costs over the past year and focused special attention on the following:

**BART to Warm Springs Project** (to ensure compliance with the full funding requirements of the Expenditure Plan);

**Oakland Airport Connector Project** (regarding funding and timely project implementation);

**I-880 Broadway/Jackson Interchange** (to address community interest in seeing additional design options and ensuring that the project conforms with the Expenditure Plan description);

**I-80 Integrated Corridor Mobility Project**, which received \$1.5 million from ACTIA's Congestion Relief Emergency Fund (to ensure compliance with the Expenditure Plan);

**AC Transit** (regarding a short-term loan it received from ACTIA to discuss its repayment capability due to the economic downturn); and

**Contracting processes** at ACTIA (to ensure that they are accessible and open to businesses in Alameda County).

*continued page 7*

# ACTIA Programs and Projects

*Measure B funds, net of administrative costs, are separated into two broad streams: approximately 60% funds Programs, distributed to local jurisdictions, primarily on a formula basis and through competitive grants, and 40% funds Capital Projects designated in the Expenditure Plan.*

## ACTIA Programs

ACTIA Programs provide important local and flexible funding to all cities, the County and transit operators in Alameda County. These funds provide essential services, maintenance, matching funds for other grants, and capital improvements. Over \$60 million a year is distributed to fund day-to-day transportation services throughout the County. Unfortunately, these funds are vulnerable to changes in the economy, and any economic downturn can have a direct effect on essential services funded by these revenues. ACTIA has taken special action in the past to stabilize funding for programs for seniors and disabled and has done so this year due to the steep decline in Measure B revenues. CWC will continue to watch the effect of reduced funding on services and will provide input on ACTIA actions to address service and operational cuts, particularly to the most vulnerable in our communities.

### *Fiscal Year 2007/2008 Overall Pass-through Program Summary*

ACTIA maintains funding agreements for program funds that are disbursed on a monthly basis (collectively known as pass-through funds) to Alameda County jurisdictions. ACTIA also allocates countywide funds through

grants. Jurisdictions are required to report their pass-through fund usage each fiscal year with an independent audit and a written report detailing expenditures. A summary report of every jurisdiction receiving Measure B funds is on the ACTIA website at [www.actia2022.com](http://www.actia2022.com).

ACTIA allocates grants from the program funds that enable pilot projects to be tested, to complete small capital projects and to expand services and operations. To date, ACTIA has allocated over 100 grants to jurisdictions and nonprofits throughout the County for senior and disabled mobility, bicycle and pedestrian safety, mass transit operations, and development around transit centers. A summary of grants can be found on the ACTIA website at [www.actia2022.com](http://www.actia2022.com).

During Fiscal Year 2007/2008, ACTIA provided a total of \$62,543,374 in pass-through funding for four main programs: local streets and roads, senior and disabled transportation, mass transit, and bicycle/pedestrian safety. Measure B pass-through and grant funds were spent by jurisdictions on a multitude of projects and services, including almost half of the funds on local streets and roads, about a third on mass transit, about 13 percent on paratransit projects, and over 7 percent on bicycle and pedestrian projects.



## Programs Summary

A fixed percentage of Measure B revenues are allocated to five programs. For the most part, these funds are passed through monthly to cities, the County and transit agencies on a formula basis; a small portion is also distributed via discretionary grants. These funds are often leveraged as local matching funds for state and federal grants, thereby extending the value of Measure B dollars.

### MASS TRANSIT

(21.9% of net sales tax revenues)

Monthly allocations fund transit operations for AC Transit, WHEELS in East County, Union City Transit, Altamont Commuter Express Rail, and the Oakland-Alameda Ferry. The countywide grant program was instituted in 2006 for distributing the Express Bus Funds.

### LOCAL STREETS AND ROADS

(22.3% of net sales tax revenues)

Monthly allocations are made to every Alameda County jurisdiction for local transportation improvements. These are the most flexible Measure B funds. Jurisdictions use their funds in a variety of ways to meet their locally determined transportation priorities.

### BICYCLE AND PEDESTRIAN SAFETY FUNDS

(5% of net sales tax revenues)

These funds are allocated monthly to jurisdictions and through competitive grants. ACTIA's Bicycle and Pedestrian Advisory Committee reviews and recommends allocation of competitive grants. A portion of these funds are used to fund the Bicycle and Pedestrian Coordination Team.

### SPECIAL TRANSPORTATION FOR SENIORS AND DISABLED

(10.5% of net sales tax revenues)

Most of these funds are allocated on a monthly basis to cities and transit operators for their on-going senior and disabled transportation programs; some are used to fund grants and the Paratransit Coordination Team.

### TRANSIT CENTER DEVELOPMENT

(0.2% of net sales tax revenues)

This small funding stream is used to leverage other funds. The ACTIA Board funded the local match for grants and studies related to the implementation of Transit Center Development projects, also known as transit-oriented development.

# ACTIA Projects **Status by Phase**

The voters approved 26 capital projects throughout the County for infrastructure improvements such as BART and rail extensions, highway expansions, local streets and roads, intermodal and other local projects. In 2003, the ACTIA Board added the Vasco Road Safety Improvement Project funded from the Measure B Emergency Congestion Relief Fund and in 2008 the I-80 Integrated Corridor Management Project, resulting in 28 Projects that the CWC monitors.



## **Complete** (construction duration dates to be added)

- Fruitvale Transit Village
- Hesperian Blvd./Lewelling Blvd. Intersection Improvement
- Newark Local Streets Rehabilitation
- Oakland Local Streets Rehabilitation
- Vasco Road Safety Project(c)
- Westgate Parkway Extension

## **Construction**

- Altamont Commuter Express Rail
- BART Warm Springs Extension
- Downtown Oakland Streetscape Improvement
- I-238 Widening
- I-580/Castro Valley Interchanges Improvements
- I-680 Sunol Express Lanes
- I-880/Washington Avenue Interchange Improvement
- Isabel Ave. – Route 84/I-580 Interchange
- Lewelling/East Lewelling Boulevard Widening
- San Pablo Corridor Rapid Bus(b)
- Telegraph Avenue Corridor Rapid Bus(b)
- Union City Intermodal Station

## **Ready for Construction**

- BART Oakland Airport Connector
- I-580 WB Auxiliary Lane (Fallon to Tassajara Road)(a)
- I-580 EB Auxiliary Lanes (El Charro Road to Airway Boulevard)(a)

## **Project Development**

### **Design:**

- East 14th Street/Hesperian Blvd./150th Street Intersection Improvement
- I-80 Integrated Corridor Mobility Project(c)
- Ironhorse Transit Route
- Route 84 Expressway

### **Environmental:**

- Dumbarton Rail Corridor
- I-580 Corridor/BART to Livermore Studies
- Route 92/Clawiter-Whitesell Interchange and Reliever Route
- Telegraph Avenue Corridor Bus Rapid Transit(b)
- I-580 WB Auxiliary Lane (Airway Boulevard to Fallon Road)(a)

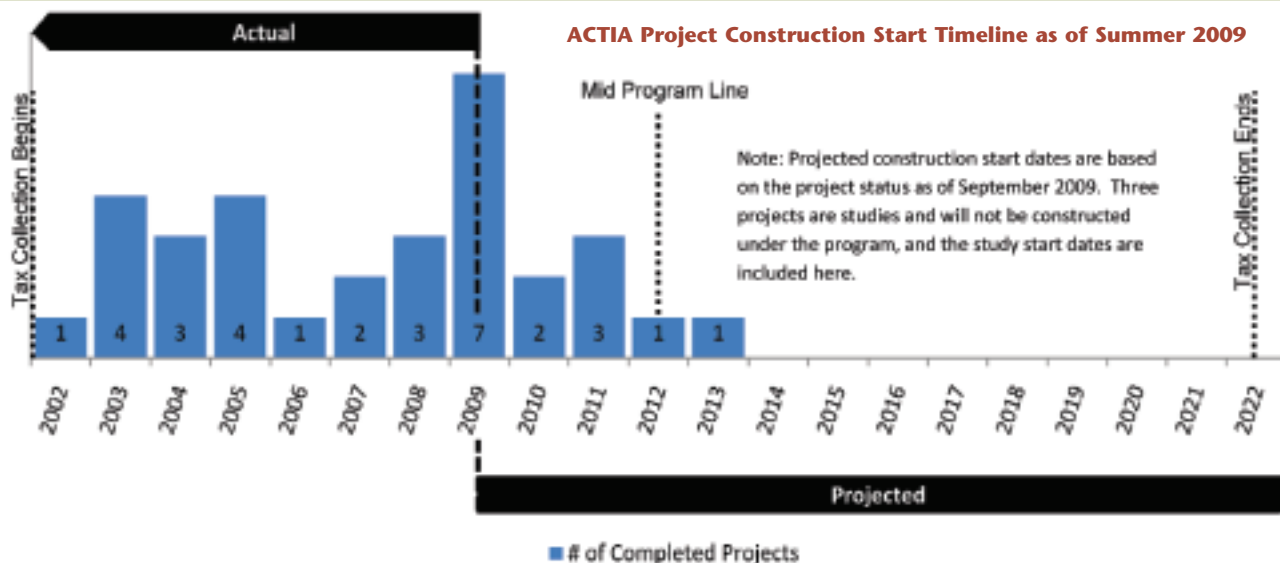
### **Scoping:**

- I-680/I-880 Cross Connector Studies
- I-880/Broadway-Jackson Interchange Improvement

### **Note:**

- The I-580 Auxiliary Lanes is considered one project in the ACTIA Expenditure Plan, but it is being delivered in three segments.
- The San Pablo/Telegraph Avenue Rapid Bus Transit project is considered one project in the ACTIA Expenditure Plan, but it is being delivered in three segments.
- The ACTIA Expenditure Plan allowed for a Congestion Relief Emergency Fund for emerging projects.

## **ACTIA Project Construction Start Timeline as of Summer 2009**





## ACTIA Projects **Granted Extensions**

The CWC receives updates on the progress of project and program implementation and monitors their delivery particularly in relation to deadlines and requirements detailed in the voter-approved Expenditure Plan. In 2007, the ACTIA Board granted extensions of one year or more to

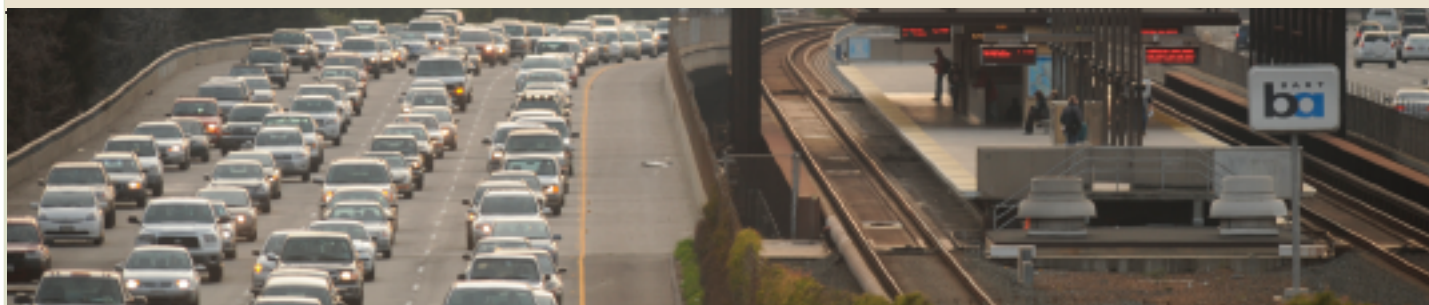
nine projects. Last year the number of extensions decreased to seven. The number of projects where requests were made and granted for extensions has decreased again this year to a total of five. Of these five projects, three were to obtain environmental clearance, one to

secure full funding and one to obtain both. The sponsors of these projects are optimistic that the environmental clearance will ultimately be received and that funding will become available. The CWC is keeping watch on these projects (see Table 1, Keeping Watch)

**Table 1: Keeping Watch**

Project No.	Project Name	Board Approved Extension		Current Project Cost (\$ Millions)	Total Current Committed Funding (\$ Millions)	Original Measure B Expenditure Plan Commitment in 1997-98 (\$ Millions)	Escalated Measure B Commitment in 2008-09 (\$ Millions)	Funding Uncertainty (\$ Millions)	Percentage of Funding Uncertainty to Current Project Cost (%)
		Environmental Clearance Deadline	Full Funding Deadline						
3	BART Oakland Airport Connector Project	Completed 2007	3/31/2010	\$499.0	\$499.0	\$65.8	\$89.1	\$0.0	0%
7A	Telegraph Avenue Corridor Bus Rapid Transit	3/30/2012	—	\$234.5	\$159.5	\$8.7	\$10.4	\$75.0	32%
15	Route 92/Clawiter - Whitesell I/C and Reliever Route	3/31/2010	—	\$25.1	\$25.1	\$19.5	\$27.0	\$0.0	0%
25	Dumbarton Corridor Improvements	3/31/2011	3/31/2011	\$596.5	\$301.3	\$14.7	\$19.4	\$295.2	49%
26	I-580 Corridor/BART Livermore Extension Studies (1)	N/A	N/A	TBD	\$11.8	\$8.7	\$11.8	TBD	TBD

Notes: (1) This project is a study only and therefore environmental and full funding deadlines do not apply.



## **ACTIA Projects Under Development**

While CWC monitors progress, it also notes that the public has opportunities for involvement during the development of the following three projects. These projects have adequate funding for planning or environmental studies. However, construction capital has not been identified.

### **I-880/Broadway-Jackson Interchange Access Improvements Project**

Co-sponsored by the City of Alameda, Caltrans has completed the first review of the draft Project Study Report (PSR) and ACTIA's consultant is addressing the comments. ACTIA released a Request for Proposals (RFP) on April 24, 2009, to secure a dedicated project manager to work with the cities and community groups to build consensus.

### **Dumbarton Rail Corridor (DRC)**

A phased project approach is being recommended to deliver the project and address funding issues. Funding strategies are being developed concurrently with the environmental approval efforts. The Joint Powers Board (JPB), and the project sponsor (City of Newark) are updating cost estimates for the project, which will be released in late summer 2009 in conjunction with the anticipated release of the Draft Environmental Impact Statement/Environmental Impact



*The CWC has been meeting regularly since June 2001. Our meetings are open to the public. Meeting schedules and agendas are available on ACTIA's website ([www.actia2022.com](http://www.actia2022.com)).*

Report (EIS/EIR). This project received a one-year extension to the environmental clearance deadline in March 2008, and a two-year extension in 2009. At this time, environmental clearance is not expected until 2010.

### **I-580 Corridor/BART to Livermore Study**

BART has completed the scoping process refining alternatives for evaluation in the Draft Environmental Impact Report (DEIR). A new project alternative was incorporated into the DEIR in early 2009 after an initial review by the Technical Advisory

Committee (TAC) and project stakeholders. Technical studies, including ridership forecasts for the various alternatives, are underway and release of the DEIR for public review is scheduled for fall 2009.

ACTIA executed the Project Specific Funding Agreement (PSFA) with the Alameda County Congestion Management Agency (ACCMA) in Spring 2009. This provides for the definition of the right-of-way required to allow BART in the median and limited right-of-way acquisition and utility relocation.



# CWC Activities: *KEEPING WATCH*

continued from page 2

A key goal of the Expenditure Plan is for projects to be completed in a timely manner. Accordingly, all project sponsors were required to obtain environmental clearance and commitments for full funding by April 1, 2007, five years after the new Measure B went into effect. The Expenditure Plan allows for short-term extensions and the ACTIA Board has recently approved five. Regardless, the CWC believes timely delivery of these projects is a critical expectation of the voters and is closely

monitoring delivery extensions and reporting as needed. An overview of projects that received extensions appears in Table 1, Keeping Watch. The CWC reiterates its desire to have the ACTIA Board outline a clear public process that will implement the provisions in the Expenditure Plan for addressing infeasible projects.

Since its inception in 2002, the CWC has affected change at ACTIA in a number of ways due to its watch-

ful activities. These include ensuring language in the audit that makes it accessible to the full public; requesting and reviewing separate independent audits on ACTIA's administrative caps; requesting that all audits from ACTIA and the local jurisdictions funds be placed on ACTIA's website for full accessibility by the public; and requesting public and stakeholder involvement on specific projects or on any projects if they become infeasible.



## ***Guarding Your Investment***

Measure B funds have already been allocated for most projects. Contracts between ACTIA and each sponsor require the return of Measure B funds should a project be canceled or if the Board declines to grant future extensions.

## ***A Call for Public Participation***

ACTIA and the CWC invite your participation in delivering the ACTIA projects and programs through four public committees comprised of almost 90 people: the Citizens Watchdog Committee, the Citizens Advisory Committee, the Bicycle and Pedestrian Advisory Committee, and the Paratransit Advisory and Planning Committee. Committee chairs report to the ACTIA Board at its public meeting held on the fourth Thursday of the month.

## ***Further Information***

The complete Expenditure Plan and this report are available on the ACTIA website, [www.actia2022.com](http://www.actia2022.com). Copies are also available, as are the audits for each agency, at ACTIA's office at 1333 Broadway, Suite 300, Oakland, CA 94612; telephone (510) 893-3347. Information on Measure B-funded program expenditures can also be found on the website of each jurisdiction.

## CWC MEMBERS (FY 2008/09)

### Name

### Appointed by

Pamela Belchamber .....	Alameda County Mayor's Conference, D-5
Roger Chavarin .....	Central Labor Council of Alameda County
Leonard Conly .....	Sierra Club
Thomas Gallagher .....	Alameda County Mayors' Conference, D-1
Arthur B. Geen .....	Alameda County Taxpayers Association
Earl Hamlin .....	League of Women Voters
Jo Ann Lew .....	Alameda County Mayors' Conference, D-2
J. Michael McCormick .....	Supervisor Alice Lai-Bitker, D-3
James Paxson, Vice chair .....	East Bay Economic Development Alliance
Robert Raburn, Chair .....	East Bay Bicycle Coalition
Dave Stark .....	Supervisor Scott Haggerty, D-1
Hale Zukas .....	Paratransit Advisory and Planning Committee
Vacancy .....	Supervisor Gail Steele, D-2
Vacancy .....	Supervisor Keith Carson, D-5
Vacancy .....	Alameda County Mayors' Conference, D-3
Vacancy .....	Alameda County Mayor's Conference, D-4
Vacancy .....	Supervisor Nate Miley, D-4



### Alameda County Transportation Improvement Authority

1333 Broadway, Suite 300 • Oakland, CA 94612

Phone (510) 893-3347 • [www.actia2022.com](http://www.actia2022.com)